

JUDGE RAKOFF

06 CV 4333

249-06/GMV/PLS

FREEHILL HOGAN &amp; MAHAR, LLP

Attorneys for Plaintiff

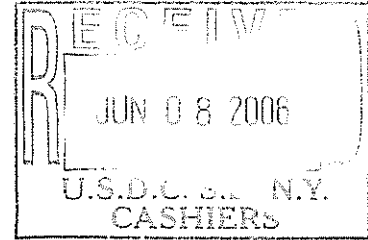
EUROFINANCE SERVICES INC.

80 Pine Street

New York, NY 10005

(212) 425-1900

(212) 425-1901 fax



Gina M. Venezia (GV 1551)

Pamela L. Schultz (PS 0335)

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK-----X  
EUROFINANCE SERVICES INC.,

06 CV

Plaintiff

**VERIFIED COMPLAINT**

-against -

SINOMART KTS DEVELOPMENT LTD.

Defendant.  
-----X

Plaintiff EUROFINANCE SERVICES INC. ("EUROFINANCE"), through its attorneys Freehill Hogan & Mahar, LLP, as and for its Verified Complaint against Defendant SINOMART KTS DEVELOPMENT LTD. ("SINOMART"), alleges upon information and belief as follows:

1. This is an admiralty and maritime claim within the meaning of Rule 9(h) of the Federal Rules of Civil Procedure in that it involves a claim for the breach of a maritime contract by Defendant SINOMART ("SINOMART"). The case also falls within the Court's admiralty and maritime jurisdiction pursuant to 28 U.S.C. §1333. Jurisdiction is also proper pursuant to the Court's federal question jurisdiction pursuant to 28 U.S.C. §1331. Federal jurisdiction also exists because the action arises under the New

York Convention on the Recognition and Enforcement of Foreign Arbitral Awards at 9 U.S.C. §201 *et seq.* and/or the Federal Arbitration Act, 9 U.S.C. §1 *et seq.*

2. At all times relevant hereto, Plaintiff EUROFINANCE was and still is a foreign business entity duly organized and existing under the laws of a foreign country with a place of business at 80 Broad Str, Monrovia, Liberia.

3. At all times relevant hereto, Defendant SINOMART was and still is a foreign business entity duly organized and existing under the laws of Hong Kong with a care of address at 1608 Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong.

4. On or about June 11, 2004, Plaintiff EUROFINANCE, as owner, and SINOMART, as charterer, entered into a maritime contract of charter party for the chartering of the M/T BAGI (hereinafter “charter party”). A true and correct copy of the charter party is attached hereto as Exhibit 1.

5. The charter party contained clauses calling for the application of English Law with London Arbitration as to “any and all differences and disputes of whatsoever nature arising out of this Charter” (Exhibit 1, ¶ K of Preamble, Clause 24 of Part II, ¶6 of Special Provisions, and ¶ 3 of Sinochem Standard Chartering Terms).

6. Disputes arose between EUROFINANCE and SINOMART under the charter party regarding amounts due and owing for demurrage, *quantum meruit* and wasted bunkers. Thereafter, in accordance with the relevant clauses of the charter party, the disputes were submitted to London arbitration.

7. SINOMART did not respond to or otherwise oppose EUROFINANCE’s Claim Submissions or Schedule of Costs. Accordingly, the Arbitration Tribunal

consisting of three arbitrators unanimously rendered a Final Arbitration Award (“Award”) in EUROFINANCE’s favor and against SINOMART all in connection with SINOMART’s breach of the maritime charter party. A true and correct copy of the Award is attached hereto as Exhibit 2.

8. The Award in favor of EUROFINANCE and against SINOMART is as follows:

- a) USD \$58,800.98 at a rate of 6.5% per annum compounded quarterly from August 5, 2004 until the date of payment on the demurrage, *quantum meruit*, and wasted bunkers claims. (Exhibit 2, p.6, ¶ A);
- b) GBP £3,005.00 together with interest at the rate of 6.5% per annum compounded quarterly calculated from the date of the publication of the Award, May 9, 2006, until payment, for EUROFINANCE’s legal costs and fees pursuant to Section 63 of the Arbitration Act, 1996 (Exhibit 2, p.6, ¶ B). This component of the Award is hereinafter referred to as “Costs”;
- c) GBP £4,150.00 for the cost of the Arbitration, together with interest at the rate of 6.5% per annum compounded quarterly calculated from the date such costs were paid, May 4, 2006, until payment. (Exhibit 2, p. 6, ¶ C) This component of the Award is hereinafter referred to as “Cost of Arbitration”;

9. Despite due demand, all of the amounts awarded to EUROFINANCE in London arbitration remain due and outstanding.

10. Plaintiff EUROFINANCE has fulfilled all obligations required of it under the charter party.

11. This action is brought to obtain jurisdiction over Defendant SINOMART to confirm and enforce the Award, as well as to obtain security in favor of Plaintiff EUROFINANCE in respect to EUROFINANCE's claims against Defendant SINOMART and the aforementioned Award.

12. This action is further brought to obtain security for any additional sums to cover Plaintiff's anticipated attorney fees and costs in these proceedings and interest, all of which are recoverable under English law, the law applicable to the contract.

13. This Verified Complaint is filed subject to and without waiver of any arbitration rights which might exist by virtue of any contract or agreement.

14. Upon information and belief, and after investigation, Defendant SINOMART cannot be "found" within this District for the purpose of Rule B of the Supplemental Rules of Certain Admiralty and Maritime Claims, but Plaintiff is informed that Defendant has, or will shortly have, assets within this District comprising, *inter alia*, cash, funds, escrow funds, credits, debts, wire transfers, electronic funds transfers, accounts, letters of credit, freights, sub-freights, charter hire and/or sub-charter hire, of, belonging to, due or for the benefit of Defendant SINOMART (collectively hereinafter, "ASSETS"), including but not limited to ASSETS in its name as may be held, received, or transferred in its own name, or as may be held, received or transferred for its benefit at, moving through, or within the possession, custody or control of banking institutions including but not limited to JPMorgan Chase Bank, Citibank, American Express Bank, Bank of America, The Bank of New York, HSBC, HSBC USA Bank NA, BNP Paribas,

Deutsche Bank, Wachovia Bank, ABN Amro, and Standard Chartered Bank and/or other institutions or such other garnishees whose identities become known to Plaintiff's counsel in the future.

15. As nearly as can be computed, the total amount of Plaintiff EUROFINANCE's claim which is sought to be attached pursuant to Rule B of the Supplemental Rules for Certain Admiralty and Maritime Claims by EUROFINANCE against SINOMART is **\$113,223.90** consisting of the following:

Award for Demurrage, *Quantum Meruit* and Wasted Bunkers

- i. Unpaid Award pertaining to demurrage, *quantum meruit* and wasted bunkers in the sum of **USD \$58,800.98**
- ii. Interest on Award pertaining to demurrage, *quantum meruit* and wasted bunkers at the rate of 6.5% per annum compounded quarterly from August 5, 2004 to the date of the filing of the Verified Complaint herein, totaling **USD \$8,498.34.**
- iii. Interest on Award pertaining to demurrage, *quantum meruit* and wasted bunkers at the rate of 6.50% per annum compounded quarterly from date of filing of the Verified Complaint for an estimated time of two years until judgment herein, totaling **USD \$10,507.15;**

Award on Costs

- iv. Unpaid Award on Costs in the amount of **GBP £3,005 (USD \$5,618.69)<sup>1</sup>;**

---

<sup>1</sup> Using a conversion rate of May 31, 2006 of 1 GBP = 1.86978 USD.

- v. Interest on Costs awarded at the rate of 6.5% per annum compounded at quarterly from May 9, 2006 until the date of filing the Verified Complaint, totaling **USD \$30.02**;
- vi. Interest on Costs awarded at the rate of 6.5% per annum compounded quarterly from the date of filing of the Verified Complaint for an estimated time of two years until judgment therein, totaling **USD \$881.91**.

Award on Cost of Arbitration

- vii. Unpaid Award on Cost of Arbitration paid by Owners in the amount of **GBP £4,150 (USD \$7,639.11)<sup>2</sup>**;
- viii. Interest on Cost of Arbitration paid by Owners at the rate of 6.5% per annum compounded quarterly from May 4, 2006 until the date of filing of the Verified Complaint in the amount of **USD \$47.61**.
- ix. Interest on Cost of Arbitration paid by Owners to commence arbitration at the rate of 6.5% per annum compounded quarterly from the date of the filing of the Verified Complaint for an estimated time of two years until judgment therein, totaling **USD \$1,200.09**.

Attorney Fees and Costs Herein

- x. Estimated attorney fees and costs in connection with these proceedings for a total of **USD \$20,000.00**.

WHEREFORE, Plaintiff EUROFINANCE prays:

---

<sup>2</sup> Using a conversion rate of May 4, 2006 of 1 GBP = 1.84075 USD

a. That process in due form of law according to the practice of this Court issue against Defendant SINOMART, citing it to appear and answer the foregoing, failing which a default will be taken against it for the principal amount of the claim plus interest up until the date of filing as set forth in the Award of \$80,634.75 as of the date of filing of the Verified Complaint plus interest until paid.

b. That if Defendant SINOMART cannot be found within this District pursuant to Supplemental Rule B that all tangible or intangible property of Defendant SINOMART, up to and including the claim of **\$113,223.90** be restrained and attached, including, but not limited to any cash, funds, escrow funds, credits, debts, wire transfers, electronic funds transfers, accounts, letters of credit, freights, sub-freights, charter hire and/or sub-charter hire, of, belonging to, due or being transferred from or for the benefit of Defendant SINOMART (collectively hereinafter, "ASSETS"), including but not limited to such ASSETS as may be held, received, or transferred in its own name or as may be held, received or transferred for its benefit at, moving through, or within the possession, custody or control of banking institutions including but not limited to JPMorgan Chase Bank, Citibank, American Express Bank, Bank of America, The Bank of New York, HSBC, HSBC USA Bank NA, BNP Paribas, Deutsche Bank, Wachovia Bank, ABN Amro, Standard Chartered Bank and/or other institutions or such other garnishees that may be subsequently identified and upon whom a copy of the Process of Maritime Attachment and Garnishment issued herein be served;

c. That this Court determine and adjudge Plaintiff entitled to enforce the Award and enter judgment in Plaintiff's favor thereon and against Defendant in the amount of \$80,634.75, plus interest and costs, and otherwise recognize, confirm and enter judgment on the subject Award; and

d. That Plaintiff EUROFINANCE have such other, further and different relief as this Court may deem just and proper in the premises.

Dated: New York, New York  
June , 2006

FREEHILL HOGAN & MAHAR, LLP  
Attorneys for Plaintiff  
EUROFINANCE SERVICES INC.

By: 

Gina M. Venezia (GV 1551)  
Pamela L. Schultz (PS 0335)  
80 Pine Street  
New York, NY 10005  
(212) 425-1900  
(212) 425-1901 fax



**ATTORNEY VERIFICATION**


STATE OF NEW YORK     )  
                                  ) ss.:  
COUNTY OF NEW YORK    )

GINA M. VENEZIA, being duly sworn, deposes and says as follows:

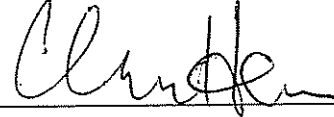
1. I am a partner with the law firm of Freehill Hogan & Mahar, LLP, attorneys for Plaintiff in this action, I have read the foregoing Verified Complaint and know the contents thereof, and the same is true to the best of my knowledge, information and belief.

2. The sources of my information and the grounds for my belief are communications, information and documentation provided by our client.

3. The reason this verification is made by an attorney and not by the Plaintiff is because the Plaintiff is a foreign entity, none of whose officers are presently within this Judicial District.

  
\_\_\_\_\_  
GINA M. VENEZIA

Sworn to before me this  
8 day of June, 2006.

  
\_\_\_\_\_

**CLARE HENRY**  
Notary Public, State of New York  
No. 01HE4831498  
Qualified in Kings County  
Certificate in New York County  
Commission Expires October 31, 2009

EASTPORT CHARTERING PTE LTD  
1 MARITIME SQUARE #12-20  
HARBOURFRONT CENTRE  
SINGAPORE 099253  
TEL : 62733232 TLX : RS 34186

# COPY

CODE WORD FOR THIS  
CHARTER PARTY.

AS BATANK VOY

## TANKER VOYAGE CHARTER PARTY

FN : D0233

MARVIN SHIPPING LTD.  
70, FILONOS - PIRAEUS 18535, GREECE  
PHONE: 21 04 58 75 00

### PREAMBLE

SINGAPORE

11 JUNE 2004

Place

Date

EUROFINANCE SERVICES INC

IT IS THIS DAY AGREED between

PANAMA FLAG

owner (hereinafter called the "Owner") of the

BAGI

(hereinafter called the "Vessel")

and SINOART KTS DEVELOPMENT LTD

(hereinafter called the "Charterer")

that the transportation herein provided for will be performed subject to the terms and conditions of this Charter Party, which includes this Preamble and Part I and Part II. In the event of a conflict, the provisions of Part I will prevail over those contained in Part II.

PART I  
LOA/BEAM : 243.70 METRES/41.60 METRES  
BCM/KTM : 123.0 METRES/53.20 METRES  
TPC : 87.64 METRIC TONS BUILT : 1985  
DERRICKS : 2 X 15 TONS SAFE WORKING LOAD  
FITTED IGS/COH/SBT

#### A. Description and Position of Vessel:

91,902 METRIC TONS

Deadweight:

Classed: LLOYDS

Loaded draft of Vessel on assigned summer freeboard 13.509M in salt water.

94,540 CUBIC METRES

Capacity for cargo:

98 % EXCLUDING SLOPS

Control: ☒ Yes ☐ No

Colled: ☒ Yes ☐ No

FUELOIL/PETROEAST

FUELOIL/FAIRMONT

Now: TRADING

Expected Ready: AS NOMINATED

Laydays:

Commencing: 28 JUNE 2004 (NOON)

Cancelling: 29 JUNE 2004 (NOON)

C. Loading Port(s): ONE(1) SAFE SHIP-TO-SHIP OFF PORT LIMIT HONG KONG

D. Discharging Port(s): QHE(1) SAFE PORT HUIZHOU, CHINA

EXHIBIT

1

CHARTERER'S OPTION UP TO ALL CARGO NO HEAT CRUDE  
MAXIMUM 2 GRADES WITHIN VESSEL'S NATURAL SEGREGATION

F. Freight Rate: LUMPSUM USD 270,000

G. Freight Payable to: OWNER'S DESIGNATED BANK ACCOUNT IN USD BY TELEGRAPHIC TRANSFER at

H. Total Laytime in Running Hours: NINETY SIX (96) TOTAL

I. Demurrage per day: USD 25,000 PER DAY OR PRO RATA

J. Commission of % is payable by Owner to  
on the actual amount of freight, when and as freight is paid.

K. The place of General Average and arbitration proceedings to be London ~~AS PER STRIKE OUT ONE~~.

~~L. Tonnage: Owner warrants vessel to be a member of TONNAGE PACT and will be so maintained throughout duration of this charter.~~

M. Special Provisions:

IT IS UNDERSTOOD AND AGREED THAT H.1 THROUGH H.14 AS ATTACHED HERewith ARE TO BE INCORPORATED IN THIS CHARTER PARTY.

IN WITNESS WHEREOF, the parties have caused this Charter, consisting of a Preamble, Part I and Part II, to be executed in duplicate as of the day and year first above written.

Witness the signature of:

Witness the signature of:

By:

(AS OWNER)

SINOHART KTS DEVELOPMENT LTD

By:

(AS CHARTERERS)



the terms of the war risks insurance on the vessel the right to give any such direction or instructions. If by reason of or in compliance with any such directions or recommendations, anything is done or is not done such shall not be deemed a deviation.






SPECIAL PROVISIONS FOR BASI  
CHARTER PART D DATED 11 JUNE 2004  
-----

1. FOR ALL SHIP-TO-SHIP OPERATIONS TO BE PERFORMED IN ACCORDANCE WITH OCIMP SHIP-TO-SHIP TRANSFER GUIDELINES. CHARTERER TO PROVIDE ALL NECESSARY FENDERS/HOSES/EQUIPMENT ETC FOR A SAFE OPERATION.
2. ANY TAXES AND OR DUES ON CARGO AND OR FREIGHT TO BE FOR CHARTERER'S ACCOUNT AND SETTLED DIRECTLY BY CHARTERER.
3. FULL TIME TO COUNT WEATHER PERMITTING AT SHIP-TO-SHIP HONG KONG.
4. ALL SHIP-TO-SHIP COST AND EXPENSES AT OFF PORT LIMIT HONG KONG TO BE FOR CHARTERER'S ACCOUNT AND TO BE SETTLED DIRECTLY BY THEM BUT MAXIMUM USD 3,000 ON AGENCY AND HANDLING FEES TO BE FOR OWNER'S ACCOUNT.
5. ALL COST AT DISPORT TO BE FOR CHARTERER'S ACCOUNT AND TO BE SETTLED DIRECTLY BY CHARTERER.
6. GENERAL AVERAGE/ARBITRATION LONDON ENGLISH LAW.
7. WORLDSCALE TERMS AND CONDITIONS AND EXTRAS IF ANY TO BE APPLICABLE.
8. MAXIMUM 3 HOURS WAITING FOR DOCUMENTS TO BE FOR OWNER'S ACCOUNT.
9. OVERAGE INSURANCE IF ANY FOR CHARTERER'S ACCOUNT.
10. ANY DUES AND OR TAXES AND OR LEVY ON CARGO AND OR FREIGHT TO BE FOR CHARTERER'S ACCOUNT AND SETTLED DIRECTLY BY THEM.
11. UNIFEC SPECIAL PROVISIONS AS ATTACHED TO APPLY.
12. SINOCHEN STANDARD TERMS 1-13 AS ATTACHED TO APPLY.
13. SINOCHEN CLAUSES 1-22 AS ATTACHED TO APPLY.
14. 2.5 PERCENT ADDRESS COMMISSION ON FREIGHT/DEMURRAGE DEDUCTABLE AT SOURCE.
  - 1.25 PERCENT BROKERAGE COMMISSION PAYABLE BY OWNER ON FREIGHT/DEMURRAGE TO GREATSEA SHIPPING INC. HONG KONG.
  - 1.25 PERCENT BROKERAGE COMMISSION PAYABLE BY OWNER ON FREIGHT/DEMURRAGE TO MARVIN SHIPPING.
  - 1.25 PERCENT BROKERAGE COMMISSION PAYABLE BY OWNER ON FREIGHT/DEMURRAGE TO EASTPORT CHARTERING PTE LTD, SINGAPORE.

*Handwritten signature*

UNIPPEC SPECIAL PROVISIONS

1. ETA CLAUSE  
PROVIDED IN VOYAGE ORDERS, OWNER/VESSEL TO ADVISE EVERYDAY ETA, NOON POSITION, DISTANCE TO GO, WEATHER, SPEED, RPM. IN CASE OF ANY PRECEDING PORT(S), ADVISE DAILY BERTHING PROSPECT, LOADING (UNLOADING) STATUS, ETD. OWNER/VESSEL TO ADVISE IMMEDIATELY ANY VARIATION OF ETA IN EXCESS OF 6 HOURS.
  2. EARLY LOADING CLAUSE  
CHARTERER SHALL ENDEAVOUR AND HAS THE OPTION TO EARLY LOAD THE VESSEL. ANY TIME SAVED BETWEEN THE ACTUAL BERTHING AND THE ORIGINAL COMMENCEMENT OF CALCULATION OF LAYTIME SHALL BE CREDITED TO CHARTERER AS ADDITIONAL ALLOWED LAYTIME.
  3. SHELL OIL POLLUTION INSURANCE CLAUSE:  
OWNERS WARRANT THEY HAVE IN PLACE COVER FOR OIL POLLUTION OF UNTO THE MAXIMUM ON OFFER THROUGH THE INTERNATIONAL GROUP OF P & I CLUBS (CURRENTLY USD 1 BILLION COVERED BY THE P & I CLUB) AND THAT THIS COVER WILL REMAIN IN PLACE THROUGHOUT THE PERIOD OF THIS CHARTER.
  4. BP ISM CLAUSE  
ADD "OWNER NOT TO BE LIABLE FOR CONSEQUENTIAL DAMAGES"
  5. VESSEL SHALL CARRY ON BOARD VALID CERTIFICATE OF CLC.
  6. CONOCO WEATHER CLAUSE (AMENDED)  
DELAYS IN BERTHING FOR LOADING OR DISCHARGING AND ANY DELAYS AFTER BERTHING WHICH ARE DUE TO WEATHER CONDITIONS SHALL COUNT AS ONE HALF LAYTIME OR, IF ON DEMURRAGE, AT ONE HALF DEMURRAGE RATE EXCEPT FOR LIGHTERING/STS/SEM/SEM WHERE FULL TIME TO COUNT WEATHER PERMITTING OR NOT.
  7. FREIGHT PAYMENT CLAUSE: CHARTERER SHALL PAY THE FREIGHT WITHIN THREE (3) WORKING DAYS AFTER COMPLETION OF DISCHARGE. OWNER TO ENSURE THE DULY SIGNED AND STAMPED (COMPANY STAMP OF THE OWNER OR DISPONENT OWNER) ORIGINAL INVOICE REACHES THE CHARTERER PRIOR VESSEL'S ARRIVAL AT DISCHARGING PORT.
  8. THE PRINCIPLE "ONCE ON DEMURRAGE ALWAYS ON DEMURRAGE" SHALL NOT APPLY TO THIS CHARTER PARTY.
  9. VESSEL NOT TO TENDER N.O.R. PRIOR TO COMMENCEMENT OF LAYDAYS, WITHOUT CHARTERER'S PRIOR CONSENT.
  10. VESSEL NOT TO PERFORM INTERIM VOYAGE WITHOUT PRIOR CONSENT FROM CHARTERER WHICH NOT TO BE UNREASONABLY WITHHELD.
  11. DELETED
  12. CHEVRON WAR RISK CLAUSE
  13. VESSEL TO BE FULLY BUNKERED TO PERFORM LADEN VOYAGE, AND NOT TO BUNKER ENROUTE. UPON LOADING VESSEL WILL PROCEED WITH UTMOST DISPATCH TO DISCHARGE PORT.
- 

SINOCHEM STANDARD CHARTERING TERMS 1-13

OWNERS WARRANT THAT THEY WILL REMAIN  
A MEMBER OF ITOPF THROUGHOUT THE  
ENTIRE DURATION OF THIS CHARTER PARTY

1. WORLDSCALE TERMS AND CONDITIONS AS OF DATE OF CHARTER PARTY TO APPLY.
2. ~~REVISED P AND I TOVALOP CLAUSE 1967 TO APPLY~~
3. GENERAL AVERAGE/ARBITRATION IN LONDON, ENGLISH LAW TO APPLY.
4. YORK/ANTWERP RULES 1974, AS AMENDED IN 1993, TO APPLY. 1994
5. IF THE VESSEL HAS NOT GIVEN NOTICE OF READINESS TO LOAD BY 1600 HOURS LOCAL TIME ON THE CANCELLING DATE, LAYTIME SHALL COMMENCE UPON THE VESSEL'S ARRIVAL IN BERTH. NOTICE OF READINESS ACCEPTED BY THE TERMINAL. 2916
6. VESSEL AGENTS SHALL BE NOMINATED BY CHARTERERS AT LOADING AND DISCHARGE PORT(S). CUSTOMARY AGENCY FEE SHALL BE FOR OWNERS' ACCOUNT. AS PER MAIN TERMS
7. ~~OWNERS' OPTION TO SLOW STEAM DOWN TO ABOUT (OWNERS TO ADVISE) KNOTS WEATHER AND SAFE NAVIGATION PERMITTING~~ VESSEL TO PERFORM LADEN VOYAGE AT ABOUT 12 KNOTS WITHIN VESSEL'S NATURAL SEGREGATION.
8. NO FREIGHT ON SLOPS CARRIED, IF ANY.
9. ~~FREIGHT TAX (INCLUDING CHINESE FREIGHT TAX OF 4.025 IN CURRENCY IN LOAD AND/OR DISCHARGE PORT(S), IF ANY, TO BE FOR OWNERS' ACCOUNT. AS PER MAIN TERMS)~~
10. FREIGHT PAYABLE IN UNITED STATES DOLLARS TO OWNERS' DESIGNATED BANK VIA TELEGRAPHIC TRANSFER AFTER RECEIPT OF OWNERS' CONFIRMATION OF COMPLETION OF DISCHARGE.
11. SHOULD A DISPUTE ARISE BETWEEN OWNERS AND THE CHARTERERS, BOTH PARTIES WILL ENDEAVOUR TO SETTLE THE MATTER IN DISPUTE AMICABLY OTHERWISE SAME TO BE SETTLED IN LONDON BY ARBITRATION AS PER CHARTER PARTY.
12. OWNERS WARRANT THAT VESSEL TO PROCEED DIRECTLY TO DISCHARGE PORT AFTER LOADING. AS PROVIDED FOR IN ASBATANKVOY CLAUSE 20 PART C VII
13. THIS FEXTURE HAS TO BE KEPT STRICTLY PRIVATE AND CONFIDENTIAL.



SINOCHEM CLAUSES 1-22  
-----

1. CLEAN BALLAST CLAUSE

THE VESSEL SHOULD ARRIVE AT LOAD PORT WITH CLEAN BALLAST WATER IN SBT ONLY. ANY DIRTY BALLAST WATER OR CLEAN BALLAST WATER IN CBT SHOULD BE DISCHARGED ON TO THE SHORE AND ALL FEES OR CHARGES THUS INCURRED SHOULD BE FOR OWNERS' ACCOUNT.

2. SHIFTING CLAUSE

IF MORE THAN ONE BERTH AT LOAD OR DISCHARGE PORTS IS USED, SHIFTING EXPENSES TO BE FOR CHARTERERS' ACCOUNT, EXCEPT THAT SHIFTING EXPENSES FROM ANCHORAGE TO FIRST BERTH WILL NOT BE FOR CHARTERERS' ACCOUNT.

3. BILL OF LADING INDEMNIFICATION CLAUSE

IN THE EVENT THE ORIGINAL BILL OF LADING DOES NOT ARRIVE AT THE PORT(S) OF ULTIMATE DISCHARGE PRIOR TO THE VESSEL'S ARRIVAL, THE OWNERS SHALL RELEASE AND DISCHARGE THE ENTIRE CARGO IN ACCORDANCE WITH THE CHARTERERS' TELEX INSTRUCTIONS AND CHARTERERS AGREE TO INDEMNIFY AND HOLD OWNERS HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS OR LIABILITIES IN CONNECTION WITH OR ARISING OUT OF THE DISCHARGING OF THE CARGO WITHOUT PRESENTATION OF SUCH ORIGINAL BILL OF LADING. CHARTERER ALSO TO PROVIDE OWNERS WITH A TELEX LETTER OF INDEMNITY WITH WORDING AS PER OWNERS' F AND I CLUB. IT IS UNDERSTOOD THAT NO BANKERS GUARANTEE NOR COUNTER SIGNING OF LETTER OF INDEMNITY BY BANKERS SHALL BE REQUIRED. ~~IF AN ORIGINAL BILL OF LADING IS DISTRIBUTED TO MASTER FOR CARGO RECEIVERS, MASTER SHALL DISCHARGE THE ENTIRE CARGO AGAINST CARGO RECEIVERS. ENDORSEMENT OF THIS ORIGINAL BILL OF LADING, AND IN SUCH EVENT NO LETTER OF INDEMNITY SHALL BE REQUIRED.~~

LETTER OF INDEMNITY SHALL AUTOMATICALLY BECOME NULL AND VOID ~~3 (THREE) AGAINST PRESENTATION OF 1 (ONE) OUT OF 3 (THREE) ORIGINAL BILLS OF LADING, OR AFTER 1 (THIRTEEN) MONTHS AFTER COMPLETION OF DISCHARGE, WHICHEVER OCCURS FIRST, PROVIDED WITHIN SUCH 13 (THIRTEEN) MONTHS NO LEGAL PROCEEDINGS HAVE BEEN INSTITUTED AGAINST OWNERS.~~

HJ

4. AMOCO CLAIMS CLAUSE - 90 DAYS

OWNERS AGREE TO INVOICE CHARTERERS FOR ALL CHARGES AND CLAIMS ARISING FROM THIS CHARTER PARTY, INCLUDING BUT NOT LIMITED TO, DEMURRAGE, DEADFREIGHT, DEVIATION, AND SHIFTING, WITHIN 90 DAYS FROM THE COMPLETION OF DISCHARGE. CHARTERERS WILL NOT BE RESPONSIBLE FOR ANY CHARGES OR CLAIMS NOT SUBMITTED WITHIN THE TIME SPECIFIED. EXCEPT CLAIMS RELATED TO CLAUSE (3)

5. WARRANTY CLAUSE

(A) OWNERS WARRANT THE VESSEL HAVE NO POLLUTION, STRANDINGS, OR ANY SERIOUS ACCIDENTS WITHIN THE LAST 12 MONTHS FROM THE DATE OF THIS CHARTER PARTY.

(B) OWNERS WARRANT THAT THE VESSEL IS IN ALL RESPECTS ELIGIBLE FOR TRADING WITHIN, TO AND FROM RANGES AND AREAS SPECIFIED IN CHARTER PARTY, AND THAT FOR ALL NECESSARY TIMES SHE SHALL HAVE ON BOARD FULLY VALID CLC/ITF AND ALL NECESSARY CERTIFICATES REQUIRED FOR SUCH SERVICE. OR EQUIVALENT

~~(C) OWNERS WARRANT THAT VESSEL IS IN COMPLIANCE WITH U.S. PORT AND TANKER SAFETY ACT.~~

~~(D) THE VESSEL TO BE MEMBER OF P AND I CLUB AND TO COMPLY WITH THE U.S. COAST GUARD REGULATIONS FOR CRUDE OIL DISCHARGES.~~

ANY DELAY AND CONSEQUENTIAL DAMAGES/LOSSES SUFFERED BY THE CHARTERERS DUE TO NON-COMPLIANCE BY THE OWNERS OF THE ABOVE WARRANTIES (A) TO (D) TO BE FOR OWNERS' ACCOUNT.

6. PUMPING CLAUSE

THE VESSEL SHALL DISCHARGE THE ENTIRE CARGO WITHIN 24 HOURS OR MAINTAIN BACK PRESSURE OF 100 PSI AT SHIP'S TANK PROVIDED SHORE POLLUTION PERMIT. EXCEPT WHEN SHIPPING OR PERFORMING COW FOR WHICH MAXIMUM 8 HOURS ALLOWED

IF THE VESSEL FAILS TO COMPLY WITH THE ABOVE WARRANTY, THE CHARTERERS SHALL NOT BE RESPONSIBLE FOR ANY DEMURRAGE CAUSED BY THE FAILURE.

AN AVERAGE

## 7. ETA CLAUSE

MASTER/OWNERS TO GIVE CHARTERERS, SUPPLIERS AND LOAD PORT AGENT NOTICES OF ARRIVAL AT LOAD PORT IMMEDIATELY, AND WHERE APPLICABLE, EVERY 5 DAYS AND THEN 96, 72, 48, 24 AND 12 HOURS NOTICE. MASTER/OWNERS ALSO TO PROVIDE CHARTERER, RECEIVERS AND DISCHARGE PORT AGENT NOTICES OF ARRIVAL DISCHARGE PORT IMMEDIATELY AFTER SAILING LOAD PORT AND WHERE APPLICABLE FOLLOWED BY EVERY 5 DAYS, AND THEN 96, 72, 48, 24 AND 12 HOURS, SAILING WHICH THE CHARTERERS SHALL HAVE NO LIABILITY FOR DEMURRAGE FOR THE PERIOD OF DELAY CAUSED BY FAILURE TO GIVE SUCH NOTICE.

8. ~~STOWING~~ CLAUSE

NOT APPLICABLE

- (A) ~~FOR CLEAN AND DIRTY PETROLEUM PRODUCTS~~  
 MASTER OF THE VESSEL IS TO THOROUGHLY CLEAN THE CARGO TANKS/LINES/PUMPS OF THE VESSEL UP TO CHARTERERS' INSPECTOR'S SATISFACTION FOR CARRIAGE OF INTENDED CARGO. OWNERS FURTHER WARRANT THAT DUE TO THE PROCEEDINGS, VESSEL WILL PRESENT AT LOAD PORT WITH TANKS/LINES/PUMPS SUFFICIENTLY CLEAN TO LOAD/CARRY/DISCHARGE CHARTERERS' CARGO WITHOUT CONTAMINATION FROM RESIDUES OF PREVIOUS CARGO. (DELETE STB VOY CHARTER PARTY PART II CLAUSE 16(A).)

- (B) FOR CRUDE OIL :

AS PER STB VOY CHARTER PARTY

ASSBAYARVOY

ANY TIME/COST INCLUDING DE-INERTING AND RE-INERTING FOR INSPECTION TO BE FOR CHARTERER'S ACCOUNT.

## 9. AMOCO CARGO RETENTION

IN THE EVENT THAT ANY CARGO REMAINS ON BOARD UPON COMPLETION OF DISCHARGE CHARTERER SHALL HAVE THE RIGHT TO DEDUCT FROM FREIGHT AN AMOUNT EQUAL TO THE FOB PORT LOADED VALUE OF SUCH CARGO PLUS FREIGHT DUE WITH RESPECT THEREOF, PROVIDED THAT THE VOLUME OF CARGO REMAINING ON BOARD IS PUMPABLE AND DETERMINED BY AN INDEPENDENT SURVEYOR.

APPOINTED BY BOTH OWNERS AND CHARTERERS

LIQUID AND REACHABLE BY VESSEL'S FIXED PUMPS

ANY ACTION OR LACK OF ACTION IN ACCORDANCE WITH THIS PROVISION SHALL BE WITHOUT PREJUDICE TO ANY RIGHTS OR OBLIGATIONS OF THE PARTIES.

10. IGS CLAUSE

OWNERS WARRANT THE VESSEL IS EQUIPPED WITH A FULLY OPERATIONAL INERT GAS SYSTEM.

11. SPILLAGE CLAUSE

PRIOR TO COMMENCEMENT OF LOADING OR DISCHARGING OPERATIONS, ALL OVERBOARD LINES ARE TO BE CHECKED TO ENSURE THEY ARE SECURELY CLOSED. ALL OTHER PRECAUTIONS ARE TO BE TAKEN TO AVOID ANY SPILLAGE AND/OR LEAKAGE. IF DURING LOADING OR DISCHARGING OPERATIONS THERE IS ANY INDICATION OF A SPILLAGE OR LEAKAGE, THE VESSEL SHALL IMMEDIATELY CEASE ALL PUMPING OPERATIONS AND NOTIFY SHORE PERSONNEL. THE VESSEL SHALL NOT RESUME LOADING OR DISCHARGING UNTIL A THOROUGH INVESTIGATION IS CONDUCTED AND APPROPRIATE REMEDIES TAKEN.

12. AFRAM VESSEL TO VESSEL LIGHTERAGE CLAUSE

IF REQUESTED BY CHARTERERS, OWNERS AGREE THAT VESSEL WILL PERFORM A VESSEL TO VESSEL LIGHTERAGE OPERATION AT SEA AT A SAFE LOCATION OTHER THAN THE CUSTOMARY ANCHORAGE FOR THE DISCHARGE PORT(S). IN WHICH EVENT, CHARTERERS WILL PROVIDE THE LIGHTERAGE VESSEL, MOORING MASTER, FENDERS, HOSES AND ALL OTHER EQUIPMENT NECESSARY FOR A SAFE OPERATION.

ALL TIME CONSUMED FROM VESSEL'S ARRIVAL AT THE LIGHTERING SITE UNTIL THE CARGO HOSES ARE DISCONNECTED SHALL COUNT AS USED LAYTIME AS CALCULATED IN PART II HEREOF ~~EXCEPT THOSE DELAYS ATTRIBUTABLE TO PROVEN WEATHER CONDITIONS WHICH SHALL COUNT AS ONE HALF USED LAYTIME, OR IF ON DEMURRAGE AS ONE HALF DEMURRAGE, PROVIDED VESSEL IS OTHERWISE CAPABLE AT ALL TIMES OF DISCHARGE WHILE AT THE LIGHTERING LOCATION.~~

THE LIGHTERING LOCATION SHALL NOT COUNT AS AN ADDITIONAL DISCHARGE PORT OR DISCHARGE BERTH IN THE DETERMINATION OF FREIGHT PAYABLE PER PUBLISHED WORLDSCALE RATES.

OWNERS WARRANT THAT THE VESSEL IS OUT-FITTED AND CAPABLE OF SAFELY CARRYING OUT ALL PROCEDURES AS SET OUT IN THE LATEST REVISED EDITION OF THE ICS/OCIMF SHIP TO SHIP TRANSFER GUIDE (PETROLEUM).

ALL WEATHER DELAYS FOR SHIP TO SHIP TO COUNT IN FULL AS LAYTIME OR DEMURRAGE IF ON DEMURRAGE. ALL SUCH OPERATIONS TO BE PERFORMED IN ACCORDANCE WITH OCIMF SHIP TO SHIP TRANSFER GUIDELINES.

## 13. AFRAN (GULF) LIGHTERAGE CLAUSE

IF LIGHTERING IS REQUIRED PRIOR TO BERTHING AT ANY DESIGNATED PORT, AND IT IS NECESSARY TO LIGHTER THE VESSEL WHILE AT A CUSTOMARY LIGHTERING ANCHORAGE, TIME USED IN LIGHTERING SHALL COUNT AS USED LAYTIME AND SHALL COMMENCE SIX (6) HOURS AFTER ANCHORING AND PRESENTATION OF NOTICE OF READINESS OR WHEN THE FIRST LIGHTERING CRAFT IS MOORED ALONGSIDE, WHICHEVER FIRST OCCURS. THE LIGHTERING ANCHORAGE SHALL NOT BE CONSIDERED AS AN ADDITIONAL DISCHARGE PORT NOR AN ADDITIONAL DISCHARGE BERTH AND RUNNING TIME FROM THE ANCHORAGE TO THE BERTH SHALL NOT COUNT AS USED LAYTIME OR DEMURRAGE IF ALLOWED LAYTIME HAS EXPIRED.

ALL WEATHER DELAYS FOR SHIP TO SHIP TO COUNT IN FULL AS LAYTIME OR DEMURRAGE IF ON DEMURRAGE. ALL SUCH OPERATIONS TO BE PERFORMED IN ACCORDANCE WITH OCIMF SHIP TO SHIP TRANSFER GUIDELINES

## 14. TEXACO CRUDE OIL WASHING CLAUSE

VESSEL WILL ROUTINELY EMPLOY CRUDE OIL WASHING (COW) ON DISCHARGE IN ACCORDANCE WITH THE PROCEDURE DESCRIBED IN THE ICS/OCIMF GUIDELINES, FOR TANK WASHING WITH CRUDE OIL IN THE ABSENCE OF EXPRESS CONTRARY INSTRUCTIONS OF THE CHARTERERS OR PROHIBITION BY PORT OR TERMINAL REGULATIONS. ANY DELAY TO THE VESSEL OCCURRING SOLELY AS A RESULT OF COW OPERATIONS SHALL COUNT AS USED LAYTIME OR IF VESSEL IS ON DEMURRAGE, AS DEMURRAGE. COW OPERATION TO BE PERFORMED SIMULTANEOUSLY WITH DISCHARGE UP TO 8 HOUR

IN ALL CARGO TANKS

OWNERS AGREE TO COMPLY WITH APPLICABLE PORT AND TERMINAL REGULATIONS, AND AS NECESSARY, TO SUBMIT ANY ADVANCE INFORMATION OR TECHNICAL DATA THAT MAY BE REQUIRED BY LOCAL AUTHORITIES RELATIVE TO THE CONDUCT OF COW OPERATIONS. OWNERS FURTHER AGREE THAT A REPRESENTATIVE OF THE CHARTERER MAY ATTEND THE DISCHARGE TO MONITOR CARGO OPERATIONS. MASTER TO FOLLOW CHARTERER'S EXPLICIT ORDERS GIVEN IN VOYAGE ORDERS

15. ~~WARRANTY~~ CLAUSE - NOT APPLICABLE

~~OWNERS WARRANT TO HAVE SECURED AND CARRIED ABOARD THE VESSEL A U.S. FEDERAL MARITIME COMMISSION'S CERTIFICATE OF FINANCIAL RESPONSIBILITY AS REQUIRED UNDER THE U.S. WATER QUALITY IMPROVEMENT ACT OF 1970 (EFFECTIVE 0001/APRIL 3, 1971), AS AMENDED.~~

~~ANY DELAY OR EXPENSE TO THE VESSEL RESULTING FROM NON COMPLIANCE WITH THIS WARRANTY SHALL BE FOR OWNERS' ACCOUNT AND SUCH DELAY WILL NOT COUNT AS USED LAYTIME OR DEMURRAGE IF ALLOWED LAYTIME HAS EXPIRED.~~

16. ~~VESSEL COMPLIANCE CLAUSE~~ NOT APPLICABLE

~~OWNERS WARRANT THAT DURING THE TERM OF THE CHARTER THE VESSEL WILL BE IN FULL COMPLIANCE WITH ALL U.S. COAST GUARD AND SAFETY REGULATIONS AS CONTAINED IN, BUT NOT LIMITED TO, TITLES 33 AND 46 OF THE CODE OF FEDERAL REGULATIONS AS AMENDED. ANY DELAY OR EXPENSE TO THE VESSEL RESULTING FROM NON COMPLIANCE WITH THIS WARRANTY SHALL BE FOR OWNERS. ACCOUNT AND SUCH DELAY WILL NOT COUNT AS USED LAYTIME OR DEMURRAGE IF ALLOWED LAYTIME HAS EXPIRED.~~

17. ~~HEATING CLAUSE~~ (SEE MAIN TERMS)

~~HEATING THROUGHOUT VOYAGE AT OWNERS' OPTION BUT OWNERS GUARANTEES MAXIMUM HEAT 135 DEGREES FAHRENHEIT AND MINIMUM 125 DEGREES FAHRENHEIT TEMPERATURE ON VESSEL'S ARRIVAL DISCHARGE PORT AND THROUGHOUT DISCHARGE.~~

18. ~~CANAL TOLL~~ NOT APPLICABLE

~~SUES OR PAYMENT CANAL TOLL IF APPLICABLE, SHALL BE FOR OWNERS' ACCOUNT.~~

19. ~~ADDRESS COMMISSION~~ (SEE MAIN TERMS)

~~1.1 ADDRESS COMMISSION TO CHARTERS ON FREIGHT, DEADFREIGHT AND DEMURRAGE PAYABLE BY OWNERS. SUCH ADDRESS COMMISSION IS DEDUCTIBLE BY CHARTERS FROM FREIGHT, AND IF ANY, DEADFREIGHT AND DEMURRAGE.~~

20. ~~SLOP CLAUSE~~

~~SLOP IF ANY WILL NOT BE PERMITTED TO BE DISCHARGED AT LOADPORT. NO LOAD-ON-TOP OF SLOPS IS ALLOWED AND OWNERS WARRANT VESSEL CAN COMPLY WITH THE MINIMUM CARGO QUANTITY OF..... (DELETE SEE VOT CHARTER PARTY PART II CLAUSE 20 LINES 404-427)~~

21. ~~CORPUS CHRISTI CLAUSE~~ NOT APPLICABLE

OWNERS WARRANT THAT VESSEL DOES NOT EXCEED 174 FEET FROM KEEL TO THE HIGHEST FIXED POINT ON THE VESSEL. OWNERS ALSO WARRANT VESSEL IS ABLE TO CLEAR BRIDGE HEIGHT LIMIT OF 138 FEET MEAN HIGH WATER (IT IS UNDERSTOOD SAFE DRAFT AT CORPUS CHRISTI MEAN HIGH WATER IS 39 FEET SALT WATER). FURTHERMORE OWNERS ALSO WARRANT THAT THE VESSEL COMPLIES WITH THE FOLLOWING RESTRICTIONS:

1. LOA 1,000 FEET MAXIMUM
2. BEAM 140 FEET MAXIMUM
3. DEADWEIGHT 120,000 METRIC TONS MAXIMUM  
(OWNERS TO ADVISE ON A ARRIVAL DRAFT OF 45 FEET AT CORPUS CHRISTI, WHAT IS VESSEL'S MAXIMUM LOADABLE CARGO QUANTITY).

IF ON ARRIVAL AT CORPUS CHRISTI OR OTHER U.S. GULF PORTS, VESSEL IS FOUND TO BE NOT IN COMPLIANCE WITH ANY OF THE ABOVE RESTRICTIONS AND WARRANTIES, ALL DELAY TO VESSEL, EXPENSE OF LIGHTERING AND ANY CONSEQUENTIAL EXPENSE OR LOSSES SUFFERED BY CHARTERERS SHALL BE FOR OWNERS' ACCOUNT AND RESPONSIBILITY.

22. ~~BUNKER CLAUSE~~ NOT APPLICABLE

CHARTERERS SHALL HAVE THE OPTION OF SUPPLYING BUNKERS REQUIRED FOR PERFORMING THIS CHARTER IF AVAILABLE, PROVIDED THAT PRICES AND QUALITY ARE COMPETITIVE, IN THE EVENT THAT OWNERS ARE ABLE TO OBTAIN BUNKERS AT A PRICE LOWER THAN THAT QUOTED BY CHARTERERS, THEN OWNERS SHALL GIVE CHARTERERS A FURTHER OPPORTUNITY TO MEET SUCH LOWER PRICE.



IN THE MATTER OF THE ARBITRATION ACT 1996

AND

IN THE MATTER OF AN ARBITRATION

BETWEEN

EUROFINANCE SERVICES INC

Claimants  
("The Owners")

and

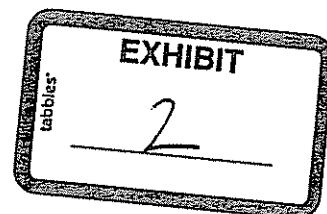
SINOMART KTS DEVELOPMENT LTD

Respondents  
("The Charterers")

"BAGI"

Charterparty dated 11<sup>th</sup> June 2004

FINAL ARBITRATION AWARD





IN THE MATTER OF THE ARBITRATION ACT 1996

AND

IN THE MATTER OF AN ARBITRATION

BETWEEN

EUROFINANCE SERVICES INC

Claimants  
("The Owners")

and

SINOMART KTS DEVELOPMENT LTD

Respondents  
("The Charterers")

"BAGI"

Charterparty dated 11<sup>th</sup> June 2004

**FINAL ARBITRATION AWARD**

**WHEREAS:**

1. By a Charterparty on the ASBATANKVOY form incorporating additional terms as agreed between the parties and dated 11<sup>th</sup> June 2004, the Claimants ("the Owners") chartered their motor tanker "BAGI" to the Respondents ("the Charterers") to load and carry up to a full cargo of crude oil from one ship-to-ship transfer point off port limits Hong Kong to one safe port Huizhou, China.

2. A dispute subsequently arose between the parties. Clause K of the Preamble of the Charterparty provided as follows:

*"K. The place of General Average and arbitration proceedings to be London."*

Furthermore, clause 24 of Part II of the Charterparty provided that:

*"ARBITRATION. Any and all differences and disputes of whatsoever nature arising out of this Charter shall be put to arbitration in the City of New York or in the City of London whichever place is specified in Part I of this Charter pursuant to the laws relating to arbitration there in force, before a board of three persons, consisting of one arbitrator to be appointed by the Owner, one by the Charterer, and one by the two so chosen. The decision of any two of the three on any point or points shall be final. Either party hereto may call for such arbitration by service upon any officer of the other, wherever he may be found, of a written notice specifying the name and address of the arbitrator chosen by the first moving party and a brief description of the disputes or differences which such party desires to put to arbitration. If the other party shall not, by notice served upon an officer of the first moving party within twenty days of the service of such first notice, appoint its arbitrator to arbitrate the dispute or differences specified, then the first moving party shall have the right without further notice to appoint a second arbitrator, who shall be a dis-interested person with precisely the same force and effect as if said second arbitrator has been appointed by the other party. In the event that the two arbitrators fail to appoint a third arbitrator within twenty days of the appointment of the second arbitrator, either arbitrator may apply to a judge of any court of maritime jurisdiction in the city above-mentioned for the appointment of a third arbitrator, and the appointment of such arbitrator by such judge on such application shall have precisely the same force and effect as if such arbitrator had been appointed by the two arbitrators. Until such time as the arbitrators finally close the hearings either party shall have the right by written notice served on the arbitrators and on an officer of the other party to specify further disputes or*

i) outstanding demurrage	US\$ 51,649.31;
ii) quantum meruit/damages	US\$ 5,468.75; and
iii) wasted bunkers	US\$ 1,682.92

5. On 15<sup>th</sup> February 2006, we made an order that the Charterers should serve defence submissions (and counterclaim submissions, if any) on or before 16<sup>th</sup> March. The Charterers failed to comply with this order or communicate with us. Therefore, on 18<sup>th</sup> March, we made a final and peremptory order that the Charterers serve defence submissions by latest 24<sup>th</sup> March. The terms of our order made it clear that if the Charterers failed to comply, we would proceed to our award without further reference to them. The Charterers failed to comply with the order or to communicate with us and we therefore proceeded to our award.
6. We are satisfied that the Charterers are aware of the arbitration proceedings and the claims being pursued against them. However, they have chosen not to provide a defence or communicate with us.
7. Neither party requested an oral hearing.
8. In accordance with the provisions of section 52(4) of the Arbitration Act 1996, the Reasons for our award are attached hereto and form part of this Final Arbitration Award.

NOW WE, the said Alan Oakley, Mark Hamsher and Christopher Moss having taken upon ourselves the burden of this reference and having carefully and conscientiously considered the evidence and submissions put before us and having given due weight thereto and having discussed the matter between ourselves and found ourselves in agreement, **DO HEREBY MAKE, ISSUE AND PUBLISH** this our joint and agreed **FINAL ARBITRATION AWARD** as follows:

**WE FIND AND HOLD** that the Owners' claim succeeds in full.

**WE THEREFORE AWARD AND DIRECT that:**

- A) the Charterers shall forthwith pay the Owners the sum of US\$58,800.98 (fifty-eight thousand, eight hundred United States dollars and ninety-eight cents), together with interest at the rate of 6.5% per annum compounded at three monthly rests from 5<sup>th</sup> August 2004, until the date of payment;
- B) the Charterers shall bear and pay their own and the Owners' recoverable costs as assessed by us in the sum of £3,005, together with interest on this sum calculated at the rate of 6.5% per annum, compounded at three monthly rests from the date of this award until the date of payment; and
- C) the Charterers shall bear the costs of this Final Arbitration Award in the sum of £4,150 provided that if, in the first instance, the Owners shall have paid any amount in respect of our fees, they shall be entitled to an immediate refund of that amount from the Charterers, together with interest on that sum calculated at the rate of 6.5% per annum, compounded at three monthly rests from the date of payment until the date of reimbursement.

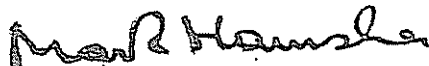
Given under our hands this 9<sup>th</sup> day of May 2006.



Alan Oakley

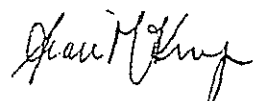
Witness






Mark Hamsher

Witness





Christopher Moss

Witness

